

State of New Jersey
State Investment Council

DRAFT – Subject to Change

Meeting at
Rutgers University Student Center, Room 411ABC
126 College Avenue
New Brunswick, New Jersey

September 21, 2006 -- 1:00 p.m.

AGENDA

I. Call to Order.

Orin Kramer, Chair
John K. Sayers, Vice Chair
Suzanna M.F. Buriani-DeSantis
George A. Castro II
James Clemente
Susan Ann Crotty
James M. Farrell, Esq.
Vincent Foti
Douglas A. Love
Cheryl A. Mills
Anthony Terracciano

William G. Clark, Director, Division of Investment
Gilles Michel, Assistant Director, Division of Investment
O. Ike Michaels, Jr., Associate Director, Division of Investment
Maneck Kotwal, Investment Officer, Division of Investment
Susan Sarnowski, Middle Office Manager and Compliance Officer
Christine Pastore, Alternative Investment Analyst, Division of Investment
Elvin Lopez, Alternative Investment Analyst, Division of Investment
Dr. Carol O'Cleireacain, Deputy State Treasurer
Rubin Weiner, Deputy Attorney General
Celeste R. Brennan, Secretary to the State Investment Council

II. Notice of Meeting.

The Secretary reports that notice of the meeting scheduled for September 21, 2006, was sent by mail deposited in the post office, by facsimile and e-mail on September 7, 2006. A copy of the notice sent to the Council, the **Trenton Times**, the **Star Ledger**, the **Bergen Record**, the **Courier Post**, the Secretary of State and posted in the Division, is on file.

III. Approval of Minutes.

- A. *Approval of the Minutes of the Meeting of the Council held on July 20, 2006.*
- B. *Approval of the Minutes of the Telephonic Meeting of the Council held on August 22, 2006.*

IV. Reports of Director Clark.

- A. *Memorandum from Director Clark to the Council, dated September 15, 2005, entitled “Investment Reports.”*
- B. *For Consideration and Discussion by the Council.*
 - 1. *Memorandum from Director Clark to the Council, dated September --, 2006, entitled “Fiscal Year 2006 Summary Proxy Voting Report.” (The full report is on file at the Division; copies are available upon request.)*
- C. *For the Information of the Council.*
 - 1. *SIC Regulations – Readoption of N.J.A.C. 17:16 – “Rules of the State Investment Council” – became effective September 5, 2006.*
 - 2. *Report on Meeting with New Jersey Public Employee Unions.*
- D. *Listings of Securities Held in Portfolios of Various State of New Jersey Investment Funds Showing Par Values and Book Values as of June 30, 2006*

V. Appointment of Council Members.

- A. *The following members have been duly elected to serve as representatives of the respective designated funds for the period July 1, 2006 to June 30, 2007.*

George A. Castro II *	Consolidated Police & Firemen’s Pension Fund
Vincent Foti	Police & Firemen’s Retirement System
Suzanna M.F. Buriani-DeSantis	Public Employees’ Retirement System
John K. Sayers	State Police Retirement System
James Clemente	Teachers’ Pension & Annuity Fund

** Mr. Castro continues to serve until a successor is named. However ,he announced in 2004 that his appointment as a member of the NJ Sports & Exposition Authority will preclude future attendance.*

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- B. *The term of Cheryl A. Mills expired on August 24, 2006. She continues to serve until reappointed by the Governor or a successor is named.*

VI. *Committee Reports.*

Audit Committee.

- A. Report on Meeting with KPMG Auditors to discuss FY 06 “Draft” Financial Statements for the New Jersey Cash Management Fund, Supplemental Annuity Collective Trust, Trustees and New Jersey Better Educational Savings Trust (NJBEST).

Corporate Governance; Investment Policy; Incentive Compensation

VII. *Nominating Committee Report – Election of Council Chair and Vice Chair.*

- A. *Report by Ms. Cheryl A. Mills, Chair of the Nominating Committee, and Messrs. Farrell and Sayers, Members.*

VIII. *Appointment of Council Executive Committee by the Chair.*

(The Executive Committee shall consist of the Chair, the Vice Chair and three other members of the Council. The Executive Committee also serves as the Council’s Audit Committee.)

IX. *Appointment by the Chair of Council Committees.*

Corporate Governance; Investment Policy; Incentive Compensation

X. *Pending Matters.*

There are no pending matters at this time.

XI. *New Business.*

- A. *For Action by the Council.*

1. Memorandum from Associate Director Michaels, dated September 15, 2006, entitled “Exemption from State Investment Council’s Policy Concerning Political Contributions and Prohibitions on Investment Management Business – N.J.A.C. 17:16-4.10.”

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2. Memorandum from Associate Director Michaels, dated September 15, 2006, entitled “Police & Firemen’s Mortgage Program – Request by Housing & Mortgage Finance Agency for Increase in Maximum Loan Amount.”
3. Memorandum from Director Clark, dated, September 15, 2006, entitled “Recommended Approval of State Investment Council Manager Search Procedures.”

B. For Acceptance by the Council.

1. Memorandum from Alternative Investment Officer Lopez, dated September 15, 2006, entitled “Proposed Private Equity Investment in Audax Mezzanine Fund II.
2. Memorandum from Associate Director Michaels, dated September 15, 2006, entitled “Proposed Real Estate Investment in Prudential Property Investment Separate Account (PRISA).”
3. Memorandum from Director Clark, dated September 15, 2006, entitled “Proposed Additional Hedge Fund Investments in Wellington Archipelago; Angelo Gordon; and Och Ziff.”

XII. Communications.

State Treasurer’s Report – Hon. Bradley I. Abelow, State Treasurer.

XIII. Schedule of Meetings for the Ensuing Year.

XIV. Next Meeting.

State Investment Council.

Date: 10/19/06

Time: 1:00 p.m.

Place: Rutgers, The State University of NJ
Rutgers Student Center, Room 411ABC
126 College Avenue
New Brunswick, NJ 08901-1166

XV. Adjournment.

Celeste R. Brennan
Secretary to the Council